RESOLUTION NO. 972

A RESOLUTION of the Board of Directors of Issaquah School District No. 411, King County, Washington, providing for the use of federal subsidies to be received pursuant to Section 54AA of the Code, enacted by the American Recovery and Reinvestment Act of 2009.

 WHEREAS, Issaquah School District No. 411, King County, Washington, (the “District”), pursuant to Resolution No. 970, issued and sold $29,870,000 of Build America Bonds (“Build America Bonds”) under authority granted by Section 54AA (“Section 54AA”) of the Code, enacted by the American Recovery and Reinvestment Act of 2009; and

WHEREAS, under the terms of Section 54AA, the District will receive subsidies at the time of each interest payment on the Build America Bonds in an amount equal to 35% of the upcoming interest payment (each such payment, a “Subsidy” and collectively, the “Subsidies”); and

WHEREAS, the federal government does not restrict the use of the Subsidies; and

WHEREAS, the Subsidies may be deposited, at the District’s option, into the General Fund, the Capital Projects Fund, the Transportation Vehicle Fund or the Debt Service Fund; and

WHEREAS, the voters of the District, in February 2010, approved a four-year maintenance and operation levy, pursuant to Resolution No. 965 of the Board (the “M&O Levy”); and

WHEREAS, the actual M&O Levy in any year may be reduced below the dollar amount approved by the voters, based on a number of factors, including but not limited to legislative limitations, federal fund reductions and student population; and

WHEREAS, the dollar amount of the required reduction in the District’s M&O Levy in a calendar year is referred to as the “Levy Rollback”; and

WHEREAS, it is the intent of this Board to establish priorities for the use of the Subsidies;

 NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF ISSAQUAH SCHOOL DISTRICT NO. 411, KING COUNTY, WASHINGTON, as follows:

 Section 1. The District hereby authorizes and directs that the projected Subsidies to be received by the District be included in the District’s annual budgets. The Subsidies shall be used and applied by the District in the following order of priority:

 First, if there is a Levy Rollback, an amount equal to the Levy Rollback shall be deposited into the General Fund for the uses permitted for the M&O Levy; and

Second, as provided in each annual budget of the District, the Subsidies may be deposited into the Capital Projects Fund (for the payment of costs permitted to be paid from the Capital Projects Fund), the Transportation Vehicle Fund (for the purchase of vehicles) or the General Fund (for the purpose of energy conservation/utility expenses) or into the Debt Service Fund (for the payment of debt service).

Notwithstanding the foregoing, the Superintendent may direct the use of Subsidies to pay for emergency (unanticipated) expenditures. The use of the Subsidies as provided in this resolution shall not result in tax increases above the total combined rate(s) or aggregate amounts approved by the voters in February 2010.

Section 2. Upon the adoption of the District’s annual budget, the Board of Directors shall be provided with detailed information regarding the proposed use of Subsidies.

Section 3. The Board may modify the direction and authorization set forth in this resolution as a result of a change in federal, state or local law or regulation.

 Section 4. Effective Date. This resolution shall become effective immediately upon its adoption.

 ADOPTED by the Board of Directors of Issaquah School District No. 411, King County, Washington, at a regular meeting thereof held this 28th day of April, 2010.

ISSAQUAH SCHOOL DISTRICT NO. 411, KING COUNTY, WASHINGTON

President and Director

Director

Director

Director

Director

ATTEST:

Secretary, Board of Directors